

104TH CONGRESS
2D SESSION

H. R. 4168

To amend the Helium Act to authorize the Secretary to enter into agreements with private parties for the recovery and disposal of helium on Federal lands, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 1996

Mr. COX of California introduced the following bill; which was referred to the Committee on Resources

A BILL

To amend the Helium Act to authorize the Secretary to enter into agreements with private parties for the recovery and disposal of helium on Federal lands, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Helium Privatization
5 Act of 1996”.

6 **SEC. 2. AMENDMENT OF HELIUM ACT.**

7 Except as otherwise expressly provided, whenever in
8 this Act an amendment or repeal is expressed in terms

1 of an amendment to, or repeal of, a section or other provi-
2 sion, the reference shall be considered to be made to a
3 section or other provision of the Helium Act (50 U.S.C.
4 167 to 167n).

5 **SEC. 3. AUTHORITY OF SECRETARY.**

6 Sections 3, 4, and 5 are amended to read as follows:

7 **“SEC. 3. AUTHORITY OF SECRETARY.**

8 “(a) **EXTRACTION AND DISPOSAL OF HELIUM ON**
9 **FEDERAL LANDS.—**

10 “(1) **IN GENERAL.—**The Secretary may enter
11 into agreements with private parties for the recovery
12 and disposal of helium on Federal lands upon such
13 terms and conditions as the Secretary deems fair,
14 reasonable, and necessary.

15 “(2) **LEASEHOLD RIGHTS.—**The Secretary may
16 grant leasehold rights to any such helium.

17 “(3) **LIMITATION.—**The Secretary may not
18 enter into any agreement by which the Secretary
19 sells such helium other than to a private party with
20 whom the Secretary has an agreement for recovery
21 and disposal of helium.

22 “(4) **REGULATIONS.—**Agreements under para-
23 graph (1) may be subject to such regulations as may
24 be prescribed by the Secretary.

1 “(5) EXISTING RIGHTS.—An agreement under
2 paragraph (1) shall be subject to any rights of any
3 affected Federal oil and gas lessee that may be in
4 existence prior to the date of the agreement.

5 “(6) TERMS AND CONDITIONS.—An agreement
6 under paragraph (1) (and any extension or renewal
7 of an agreement) shall contain such terms and con-
8 ditions as the Secretary may consider appropriate.

9 “(7) PRIOR AGREEMENTS.—This subsection
10 shall not in any manner affect or diminish the rights
11 and obligations of the Secretary and private parties
12 under agreements to dispose of helium produced
13 from Federal lands in existence on the date of enact-
14 ment of the Helium Privatization Act of 1996 except
15 to the extent that such agreements are renewed or
16 extended after that date.

17 “(b) STORAGE, TRANSPORTATION, AND SALE.—The
18 Secretary may store, transport, and sell helium only in ac-
19 cordance with this Act.

20 **“SEC. 4. STORAGE, TRANSPORTATION, AND WITHDRAWAL**
21 **OF CRUDE HELIUM.**

22 “(a) STORAGE, TRANSPORTATION, AND WITH-
23 DRAWAL.—The Secretary may store, transport, and with-
24 draw crude helium and maintain and operate crude helium
25 storage facilities, in existence on the date of enactment

1 of the Helium Privatization Act of 1996 at the Bureau
2 of Mines Cliffside Field, and related helium transportation
3 and withdrawal facilities.

4 “(b) CESSATION OF PRODUCTION, REFINING, AND
5 MARKETING.—Not later than 18 months after the date
6 of enactment of the Helium Privatization Act of 1996, the
7 Secretary shall cease producing, refining, and marketing
8 refined helium and shall cease carrying out all other activi-
9 ties relating to helium which the Secretary was authorized
10 to carry out under this Act before the date of enactment
11 of the Helium Privatization Act of 1996, except activities
12 described in subsection (a).

13 “(c) DISPOSAL OF FACILITIES.—

14 “(1) IN GENERAL.—Subject to paragraph (5),
15 not later than 24 months after the cessation of ac-
16 tivities referred to in subsection (b) of this section,
17 the Secretary shall designate as excess property and
18 dispose of all facilities, equipment, and other real
19 and personal property, and all interests therein, held
20 by the United States for the purpose of producing,
21 refining and marketing refined helium.

22 “(2) APPLICABLE LAW.—The disposal of such
23 property shall be in accordance with the Federal
24 Property and Administrative Services Act of 1949.

1 “(3) PROCEEDS.—All proceeds accruing to the
2 United States by reason of the sale or other disposal
3 of such property shall be treated as moneys received
4 under this chapter for purposes of section 6(f).

5 “(4) COSTS.—All costs associated with such
6 sale and disposal (including costs associated with
7 termination of personnel) and with the cessation of
8 activities under subsection (b) shall be paid from
9 amounts available in the helium production fund es-
10 tablished under section 6(f).

11 “(5) EXCEPTION.—Paragraph (1) shall not
12 apply to any facilities, equipment, or other real or
13 personal property, or any interest therein, necessary
14 for the storage, transportation, and withdrawal of
15 crude helium or any equipment, facilities, or other
16 real or personal property, required to maintain the
17 purity, quality control, and quality assurance of
18 crude helium in the Bureau of Mines Cliffside Field.

19 “(d) EXISTING CONTRACTS.—

20 “(1) IN GENERAL.—All contracts that were en-
21 tered into by any person with the Secretary for the
22 purchase by the person from the Secretary of refined
23 helium and that are in effect on the date of the en-
24 actment of the Helium Privatization Act of 1996
25 shall remain in force and effect until the date on

1 which the refining operations cease, as described in
2 subsection (b).

3 “(2) COSTS.—Any costs associated with the ter-
4 mination of contracts described in paragraph (1)
5 shall be paid from the helium production fund estab-
6 lished under section 6(f).

7 **“SEC. 5. FEES FOR STORAGE, TRANSPORTATION AND WITH-**
8 **DRAWAL.**

9 “(a) IN GENERAL.—Whenever the Secretary provides
10 helium storage withdrawal or transportation services to
11 any person, the Secretary shall impose a fee on the person
12 to reimburse the Secretary for the full costs of providing
13 such storage, transportation, and withdrawal.

14 “(b) TREATMENT.—All fees received by the Secretary
15 under subsection (a) shall be treated as moneys received
16 under this Act for purposes of section 6(f).”.

17 **SEC. 4. SALE OF CRUDE HELIUM.**

18 (a) Subsection 6(a) is amended by striking “from the
19 Secretary” and inserting “from persons who have entered
20 into enforceable contracts to purchase an equivalent
21 amount of crude helium from the Secretary”.

22 (b) Subsection 6(b) is amended—

23 (1) by inserting “crude” before “helium”; and

24 (2) by adding the following at the end: “Except
25 as may be required by reason of subsection (a), sales

1 of crude helium under this section shall be in
2 amounts as the Secretary determines, in consulta-
3 tion with the helium industry, necessary to carry out
4 this subsection with minimum market disruption.”.

5 (c) Subsection 6(c) is amended—

6 (1) by inserting “crude” after “Sales of”; and

7 (2) by striking “together with interest as pro-
8 vided in this subsection” and all that follows
9 through the end of the subsection and inserting “all
10 funds required to be repaid to the United States as
11 of October 1, 1995 under this section (referred to in
12 this subsection as ‘repayable amounts’). The price at
13 which crude helium is sold by the Secretary shall not
14 be less than the amount determined by the Secretary
15 by—

16 “(1) dividing the outstanding amount of such
17 repayable amounts by the volume (in million cubic
18 feet) of crude helium owned by the United States
19 and stored in the Bureau of Mines Cliffside Field
20 at the time of the sale concerned, and

21 “(2) adjusting the amount determined under
22 paragraph (1) by the Consumer Price Index for
23 years beginning after December 31, 1995.”.

24 (d) Subsection 6(d) is amended to read as follows:

1 “(d) EXTRACTION OF HELIUM FROM DEPOSITS ON
 2 FEDERAL LANDS.—All moneys received by the Secretary
 3 from the sale or disposition of helium on Federal lands
 4 shall be paid to the Treasury and credited against the
 5 amounts required to be repaid to the Treasury under sub-
 6 section (c).”.

7 (e) Subsection 6(e) is repealed.

8 (f) Subsection 6(f) is amended—

9 (1) by striking “(f)” and inserting “(e)(1)”;
 10 and

11 (2) by adding the following at the end:

12 “(2)(A) Within 7 days after the commencement of
 13 each fiscal year after the disposal of the facilities referred
 14 to in section 4(c), all amounts in such fund in excess of
 15 \$2,000,000 (or such lesser sum as the Secretary deems
 16 necessary to carry out this Act during such fiscal year)
 17 shall be paid to the Treasury and credited as provided in
 18 paragraph (1).

19 “(B) On repayment of all amounts referred to in sub-
 20 section (c), the fund established under this section shall
 21 be terminated and all moneys received under this Act shall
 22 be deposited in the general fund of the Treasury.”.

23 **SEC. 5. ELIMINATION OF STOCKPILE.**

24 Section 8 is amended to read as follows:

1 **“SEC. 8. ELIMINATION OF STOCKPILE.**

2 “(a) STOCKPILE SALES.—

3 “(1) COMMENCEMENT.—Not later than Janu-
4 ary 1, 2005, the Secretary shall commence offering
5 for sale crude helium from helium reserves owned by
6 the United States in such amounts as would be nec-
7 essary to dispose of all such helium reserves in ex-
8 cess of 600,000,000 cubic feet on a straight-line
9 basis between such date and January 1, 2015.

10 “(2) TIMES OF SALE.—The sales shall be at
11 such times during each year and in such lots as the
12 Secretary determines, in consultation with the he-
13 lium industry, to be necessary to carry out this sub-
14 section with minimum market disruption.

15 “(3) PRICE.—The price for all sales under
16 paragraph (1), as determined by the Secretary in
17 consultation with the helium industry, shall be such
18 price as will ensure repayment of the amounts re-
19 quired to be repaid to the Treasury under section
20 6(c).

21 “(b) DISCOVERY OF ADDITIONAL RESERVES.—The
22 discovery of additional helium reserves shall not affect the
23 duty of the Secretary to make sales of helium under sub-
24 section (a).”.

25 **SEC. 6. LAND CONVEYANCE IN POTTER COUNTY, TEXAS.**

26 Section 12 is amended to read as follows:

1 **“SEC. 12. LAND CONVEYANCE IN POTTER COUNTY, TEXAS.**

2 “(a) IN GENERAL.—The Secretary of the Interior
3 shall transfer all right, title, and interest of the United
4 States in and to the parcel of land described in subsection
5 (b) to the Texas Plains Girl Scout Council for consider-
6 ation of \$1, reserving to the United States such easements
7 as may be necessary for pipeline rights-of-way.

8 “(b) LAND DESCRIPTION.—The parcel of land re-
9 ferred to in subsection (a) is all those certain lots, tracts
10 or parcels of land lying and being situated in the County
11 of Potter and State of Texas, and being the East Three
12 Hundred Thirty-One (E331) acres out of Section Seventy-
13 eight (78) in Block Nine (9), B.S. & F. Survey, (some
14 times known as the G.D. Landis pasture) Potter County,
15 Texas, located by certificate No. 1/39 and evidenced by
16 letters patents Nos. 411 and 412 issued by the State of
17 Texas under date of November 23, 1937, and of record
18 in Vol. 66A of the Patent Records of the State of Texas.
19 The metes and bounds description of such lands is as fol-
20 lows:

21 “(1) FIRST TRACT.—One Hundred Seventy-one
22 (171) acres of land known as the North part of the
23 East part of said survey Seventy-eight (78) afore-
24 said, described by metes and bounds as follows:

25 “Beginning at a stone 20 x 12 x 3 inches
26 marked X, set by W.D. Twichell in 1905, for

1 the Northeast corner of this survey and the
2 Northwest corner of Section 59;

3 “Thence, South 0 degrees 12 minutes East
4 with the West line of said Section 59, 999.4
5 varas to the Northeast corner of the South 160
6 acres of East half of Section 78;

7 “Thence, North 89 degrees 47 minutes
8 West with the North line of the South 150
9 acres of the East half, 956.8 varas to a point
10 in the East line of the West half Section 78;

11 “Thence, North 0 degrees 10 minutes
12 West with the East line of the West half 999.4
13 varas to a stone 18 x 14 x 3 inches in the mid-
14 dle of the South line of Section 79;

15 “Thence, South 89 degrees 47 minutes
16 East 965 varas to the place of beginning.

17 “(2) SECOND TRACT.—One Hundred Sixty
18 (160) acres of land known as the South part of the
19 East part of said survey No. Seventy-eight (78) de-
20 scribed by metes and bounds as follows:

21 “Beginning at the Southwest corner of
22 Section 59, a stone marked X and a pile of
23 stones; Thence, North 89 degrees 47 minutes
24 West with the North line of Section 77, 966.5
25 varas to the Southeast corner of the West half

1 of Section 78; Thence, North 0 degrees 10 min-
2 utes West with the East line of the West half
3 of Section 78;

4 “Thence, South 89 degrees 47 minutes
5 East 965.8 varas to a point in the East line of
6 Section 78;

7 “Thence, South 0 degrees 12 minutes East
8 934.6 varas to the place of beginning.

9 “Containing an area of 331 acres, more or
10 less.”.

11 **SEC. 7. REPORT ON HELIUM.**

12 Section 15 is amended to read as follows:

13 **“SEC. 15. REPORT ON HELIUM.**

14 “(a) NAS STUDY AND REPORT.—Not later than 3
15 years before the date on which the Secretary commences
16 offering for sale crude helium under section 8, the Sec-
17 retary shall enter into appropriate arrangements with the
18 National Academy of Sciences to study and report on
19 whether such disposal of helium reserves will have a sub-
20 stantial adverse effect on United States scientific, tech-
21 nical, biomedical, or national security interests.

22 “(b) TRANSMISSION TO CONGRESS.—Not later than
23 18 months before the date on which the Secretary com-
24 mences offering for sale crude helium under section 8, the
25 Secretary shall transmit to the Congress—

1 “(1) the report of the National Academy under
2 subsection (a);

3 “(2) the findings of the Secretary, after consider-
4 ation of the conclusions of the National Academy
5 under subsection (a) and after consultation with the
6 United States helium industry and with heads of af-
7 fected Federal agencies, as to whether the disposal
8 of the helium reserve under section 8 will have a
9 substantial adverse effect on the United States he-
10 lium industry, United States helium market or Unit-
11 ed States scientific, technological, biomedical, or na-
12 tional security interests; and

13 “(3) if the Secretary determines that selling the
14 crude helium reserves under the formula established
15 in section 8 will have a substantial adverse effect on
16 the United States helium industry, the United
17 States helium market or United States scientific,
18 technological, biomedical, or national security inter-
19 est, the Secretary shall make recommendations, in-
20 cluding recommendations for proposed legislation, as
21 may be necessary to avoid such adverse effects.”.

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